NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE (No Surface Use)

| THIS LEASE AGREEMENT is made this | th day of Ququot | | 009, by and between |
|--|--|--|--|
| mound D. ame and wife | DEBra L. anie | | |
| whose addresss is 3128 Childress S and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross hereinabove named as Lessee, but all other provisions (i 1. In consideration of a cash bonus in hand pa described land, hereinafter called leased premises: | Avenue, Suite 1870 Dallas Texas including the completion of blank spa | 75201, as Lessee. All printed portions: ces) were prepared jointly by Lessor and prepared in the printer of the prepared in the printer of | and Lessee. |
| 143_ ACRES OF LAND, MORE OR L | .ESS. BEING LOT(S) | 14 | BLOCK 3 |
| OUT OF THE True (1000) FORTHOUSE 100 THE TRUE (1000) IN VOLUME 388-J , PAGE | , TARRANT COUNTY, T | ADDITION, EXAS, ACCORDING TO TH HE PLAT RECORDS OF TAR | , BLOCK 3 AN ADDITION TO THE CITY OF AT CERTAIN PLAT RECORDED RRANT COUNTY, TEXAS. |
| in the County of <u>Tarrant</u> , State of TEXAS, containing reversion, prescription or otherwise), for the purpose o substances produced in association therewith (including commercial gases, as well as hydrocarbon gases. In a land now or hereafter owned by Lessor which are continued to the continued | if exploring for, developing, producing ng geophysical/seismic operations). Iddition to the above-described least guous or adjacent to the above-desc onal or supplemental instruments for | g and marketing oil and gas, along The term "gas" as used herein in d premises, this lease also covers ac ribed leased premises, and, in conside a more complete or accurate descripti | rcludes hellum, carbon dioxide and other ccretions and any small strips or parcels of leration of the aforementioned cash bonus, on of the land so covered. For the numose |
| This lease, which is a "paid-up" lease requiring as long thereafter as oil or gas or other substances cover otherwise maintained in effect pursuant to the provisions. | ered hereby are produced in paying q shereof. | uantities from the leased premises or | from lands pooled therewith or this lease is |
| S. Royalties on oil, gas and other substances pro separated at Lessee's separator facilities, the royalty's Lessor at the wellhead or to Lessor's credit at the oil put the wellhead market price then prevailing in the same if prevailing price) for production of similar grade and the costs incurred have the continuing right to purchase such production at then prevailing in the same field, then in the nearest fle nearest preceding date as the date on which Lessee con the leased premises or lands pooled therewith are capal hydraulic fracture stimulation, but such well or wells are the producing in paying quantities for the purpose of main being sold by Lessee, then Lessee shall pay shut-in roy depository designated below, on or before the end of sa are shut-in or production there from is not being sold it Lessee from another well or wells on the leased premise of such operations or production. Lessee's failure to pro 4. All shut-in royalty payments under this lease si be Lessor's depository agent for receiving payments regitarf and such payments or tenders to Lessor or to the address known to Lessee shall constitute proper payment hereunder, Lessor shall, at Lessee's request, of 5. Except as provided for in Paragraph 3, above, premises or lands pooled therewith, or if all production pursuant to the provisions of Paragraph 6 or the action nevertheless remain in force if Lessee commences open on the leased premises or lands pooled therewith within the end of the primary term, or at any time thereafter, operations reasonably calculated to obtain or restore prono cessation of more than 90 consecutive days, and if there is production in paying quantities from the leased premises from uncompensated drainage by any additional wells except as expressly provided fierein. 6. Lessee shall have the right but not the obligational wells or zones, and as to any or all substances cove proper to do so in order to prudently develop or operate unit formed by such pooling for an oil well which is not a thorizontal completion to confo | aduced and saved hereunder shall be hall be ha | vided that Lessee shall have the contageneral providing in the same field, then in prevailing in the same field, then in ghead gas) and all other substant the sale thereof, less a proportional or otherwise marketing such gas or of paid for production of similar quality in price) pursuant to comparable purchad (c) if at the end of the primary term ther substances covered hereby in pains not being sold by Lessee, such we'll on security days such well or well red by this lease, such payment to be a sotherwise being maintained by one in royalty shall be due until the end of Lesser's add of sald land. All payments or tenders is in a stamped envelope addressed to the succeeded by another institution ble of producing in paying quantities in a stamped envelope addressed to or be succeeded by another institution ble of producing in paying quantities by permanently ceases from any causen in the event this lease is not or or for drilling an additional well or for mound in force but Lessee is then main in force so long as any one or induction of oil or gas or other substance. After completion of a well capable of reasonably prudent operator would duantities on the leased premises or land pooled therewith. There shall be not pooled that a larger unit may be found that a larger unit may be found that a larger unit may be found that of the gross completion in written declaration describing the unit of the leased premises shall be royally is calculated shall be that proyally is calculated shall be that proyally in the unit but only to the extents. | inuing right to purchase such production at in the nearest field in which there is such a ces covered hereby, the royalty shall be the part of ad valorem taxes and production, ther substances, provided that Lessee shall in the same field (or if there is no such procuses contracts entered into on the same of or any time thereafter one or more wells or or any time thereafter one or more wells or origing quantities or such wells are waiting or ell or wells shall nevertheless be deerned to see are shut-in or production there from is no made to Lessor or to Lessor's credit in the of said 90-day period while the well or wells perations, or if production is being sold by if the 90-day period next following cessation shall not operate to terminate this lease. **ress above** or its successors, which shall may be made in currency, or by check or by the depository or to the Lessor at the lass on, or for any reason fail or refuse to accept as depository agent to receive payments. (hereinafter called "dry hole") on the leased she including a revision of unit boundaries therwise obtaining or restoring production otherwise obtaining or restoring production. If a engaged in drilling, reworking or any other ore of such operations are prosecuted with mores covered hereby, as long thereafter as if producing in paying quantities hereunder fill under the same or similar circumstances ands pooled therewith, or (b) to protect the no covenant to drill exploratory wells or any espect to such other lands or interests. The periodic of the same or similar circumstances aring jurisdiction to do so. For the purpose erimmental authority, or, if no definition is so that an initial gas-oil ratio of 100,000 cubics esperator facilities or equivalent testing in interval in facilities or equivalent testing in the reservoir exceeds the verticant and stating the effective date of pooling treated as if it were production, drilling or orition of the total unit production is sold by the proportion of unit production is sold by the proportion of unit p |
| unit formed hereunder by expansion or contraction or prescribed or permitted by the governmental authority making such a revision, Lessee shall file of record a writeased premises is included in or excluded from the unit be adjusted accordingly. In the absence of production is a written declaration describing the unit and stating the of the leased premises or lands pooled therewith shall be such part of the leased premises or lands pooled therewith shall be such part of the leased premises. | both, either before or after commen- having jurisdiction, or to conform to itten declaration describing the revise it by virtue of such revision, the propure paying quantities from a unit, or up date of termination. Pooling hereund | ament or production, in order to con- any productive acreage determination and unit and stating the effective date of ortion of unit production on which roys on permanent cessation thereof, Less or shall not constitute a cross-conveys ones the gradities and shuttin myallies | n made by such governmental authority. It is in revision. To the extent any portion of the alters are payable hereunder shall thereafte see may terminate the unit by filing of reconunce of interests. |

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalities hereunder. Lessee may pay or tender such shut-in royalities to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in a covered hereby.

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canels, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, sion, treat another transport production. Lessee may use in such operations, free of cost, any oil, gas, water another transport production. Lessee may use in such operations, free of cost, any oil, gas, water another substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, producing or marketing from the leased premises or lands pooled therewith, the ancitiary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premise or such other lands during the term of this lease or within a reasonable time thereafter.

equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease of within a reasonable time thereatter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by Inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease receives a bone fide offer which Lessee is willing to accept from any party offering to purchase from

Lesses shall not be liable for breach or any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the lend described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee falls to remedy the breach or default, whole or in part unless Lessee is given a reasonable.

there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee falls to do so.

time after said judicial determination to remedy the breach or default and Lessee falls to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the lessed premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the lessed premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lesse.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, and the substant of the proposed of the prop

mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lesser's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms

| which Lessee has or may negotiate with any other lessors/oil an | id gas owners. | tter the telling of mis transversor pasen abou and middling tel |
|---|---|--|
| IN WITNESS WHEREOF, this lease is executed to be effective as heirs, devisees, executors, administrators, successors and assigns, | of the date first written above, but whether or not this lease has been | ut upon execution shall be binding on the signatory and the sign n executed by all parties hereinabove named as Lessor. |
| LESSOR (WHETHER ONE OR MORE) | | • |
| By: PODONO D. anie | | Lebra L'anie |
| | | |
| STATE OF TEXOS | ACKNOWLEDGMENT | |
| COUNTY OF TOUTON + This instrument was acknowledged before me on the by: ADNOID I). OME OUT WIFE DEDICA | 10th day of (111915 | , 2009, |
| | √. | Drakes Oak |
| KISHA G. PACKER POLK Notary Public, State of Texas My Commission Expires April 15, 2012 | Noi No No | tery Public, State of TEXOS tery's name (printed): MISHOL G. Packer-Polk tary's commission expires: a prik 15, 30 12 |
| STATE OF | | |
| COUNTY OF This instrument was acknowledged before me on the by: | day of | , 2009, |
| 1 | | |



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration:

08/17/2009 03:27 PM

Instrument #:

D209219949

LSE

3 PGS

\$20.00

Ву:_____

D209219949

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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